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**ANNUAL REPORT  
FORM X-17A-5  
PART III**

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Quantum Capital, LLC**

**OFFICIAL USE ONLY**

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (do not use P.O. Box No.)

1911 Hillandale Road, Suite 1020  
(No. and Street)

Durham,  
(City)

North Carolina  
(State)

27705  
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Vance Syphers

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Sherb & Co., LLP

(Name - if individual state last, first, middle name)

1900 NW Corporate Blvd, Suite 210 East  
(Address)

Boca Raton  
(City)

Florida  
(State)

33431  
(Zip Code)

**CHECK ONE:**

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions

**PROCESSED**

**MAR 21 2008**

**THOMSON  
FINANCIAL**

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).


SEC 1410 (3-91)

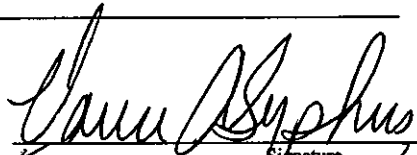
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## OATH OR AFFIRMATION

I, **Vance Syphers**, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of **Quantum Capital, LLC**, as of **December 31, 2007** are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NOTARY PUBLIC-STATE OF FLORIDA  
 Karen Z. Fischer  
Commission # DD610800  
Expires: NOV. 17, 2010  
BONDED THRU ATLANTIC BONDING CO., INC.

  
\_\_\_\_\_  
Signature  
**Managing Member**  
\_\_\_\_\_  
Title

 2/26/08  
\_\_\_\_\_  
Notary Public

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page
- ☒ (b) Statement of Financial Condition
- ☒ (c) Statement of Income (Loss)
- ☒ (d) Statement of Changes in Financial Condition
- ☒ (e) Statement of Changes in Stockholders' equity or Partners' or Sole Proprietor's Capital
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors
- ☒ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation
- ☒ (l) An Oath or Affirmation
- ☐ (m) A copy of the SICP Supplemental Report
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**QUANTUM CAPITAL, LLC**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2007**

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SHERB & CO., LLP

1900 NW Corporate Blvd., Suite East 210  
Boca Raton, FL 33431  
Tel: 561.886.4200  
Fax: 561.886.3330  
e-mail: info@shercbcpa.com

Offices in New York and Florida

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Member  
Quantum Capital, LLC

We have audited the accompanying statement of financial condition of Quantum Capital, LLC as of December 31, 2007, and the related statements of operations, changes in member's equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Quantum Capital, LLC as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Boca Raton, Florida  
February 19, 2008

*Sherb & Co., LLP*  
Certified Public Accountants

QUANTUM CAPITAL, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2007

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**ASSETS**

	<u>2007</u>
Cash	\$ 52,124
Property and Equipment, net	<u>2,438</u>
Total assets	<u>\$ 54,562</u>

**LIABILITIES AND MEMBER'S EQUITY**

Liabilities:	
Accrued Expenses	<u>\$ 6,741</u>
Total liabilities	<u>6,741</u>
Member's equity	<u>47,821</u>
Total liabilities and member's equity	<u>\$ 54,562</u>

See accompanying notes to financial statements.

QUANTUM CAPITAL, LLC  
STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2007

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	<u>2007</u>
Revenues:	
Commissions	\$ 73,813
Other	<u>35,000</u>
Total revenues	<u>108,813</u>
Expenses:	
Compensation and benefits	88,000
Regulatory fees	3,045
Communication costs	531
Professional fees	14,664
Rent	2,500
Other expenses	<u>2,252</u>
Total expenses	<u>110,992</u>
Net loss	<u>\$ (2,179)</u>

See accompanying notes to financial statements.

QUANTUM CAPITAL, LLC  
STATEMENT OF CHANGES IN MEMBER'S EQUITY  
YEAR ENDED DECEMBER 31, 2007

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	<u>2007</u>
Balance, January 1, 2007	\$ 25,000
Contributions from the member	25,000
Net loss	<u>(2,179)</u>
Balance, December 31, 2007	<u>\$ 47,821</u>

See accompanying notes to financial statements.



**QUANTUM CAPITAL, LLC**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2007**

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	<u>2007</u>
Cash flows from operating activities:	
Net loss	\$ (2,179)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation Expense	67
Changes in assets and liabilities:	
Increase (decrease) in:	
Accrued Expenses	<u>6,741</u>
Net cash provided by operating activities	<u>4,629</u>
Cash flows from investing activities:	
Purchase of Property and Equipment	<u>(2,505)</u>
Net cash from investing activities	(2,505)
Cash flows from financing activities:	
Contributions by the member	<u>25,000</u>
Net cash provided by financing activities	<u>25,000</u>
Net increase in cash	27,124
Cash, beginning of year	<u>25,000</u>
Cash, end of year	<u>\$ 52,124</u>
<u>Supplemental disclosure of cash flow information:</u>	
Cash paid during the year for interest	<u>\$ -</u>

See accompanying notes to financial statements.

QUANTUM CAPITAL, LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007

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**NOTE 1 - DESCRIPTION OF BUSINESS**

Quantum Capital, LLC (the Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulation Authority (FINRA). The Company is a Florida Limited Liability Company.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Cash and Cash Equivalents**

The Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

**Property and Equipment**

Property and equipment are stated at cost. Depreciation and amortization are provided using the straight-line method over the estimated economic lives of the assets, which are from five to seven years. Expenditures for maintenance and repairs are charged to expense as incurred.

Property and equipment consists of the following as of December 31, 2007:

Office equipment	\$	989
Furniture and Equipment		<u>1,516</u>
		2,505
Less: accumulated depreciation		<u>67</u>
	\$	<u>2,438</u>

Depreciation expense amounted to \$67 for the year ended December 31, 2007.

**Revenue Recognition**

The company earns revenue from investment banking and consulting. Fees for investment banking and consulting are recognized as services are provided. Investment banking fees are generally based on a percentage of the total value of a transaction and are recognized upon successful completion.

During 2007 the Company earned 100% of its revenue from one customer.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes**

As a limited liability company, the Company is treated as a partnership for Federal and State income tax purposes. Under subchapter K of the Internal Revenue Code, each member is taxed separately on his distributive share of the Company's income whether or not that income is actually distributed. Accordingly, no provision for income taxes has been recorded in the accompanying statement of operations for the year ended December 31, 2007.

**QUANTUM CAPITAL, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

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**NOTE 3 – RELATED PARTY TRANSACTIONS**

The Company incurred expenses for consulting of \$35,000 and rent in the amount of approximately \$2,500 to a related party, which is a company with common ownership, for the year ended December 31, 2007.

**NOTE 4 – NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1, except for the first 12 months of operations when it shall not exceed 8 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2007, the Company had net capital of \$45,383 which was \$40,383, in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital computed in accordance with Rule 15c3-1 was .14 to 1.

**NOTE 5 – CONCENTRATIONS OF CREDIT RISK**

The Company maintains its cash in bank accounts at high credit quality financial institutions. The balances at times, may exceed federally insured limits.

**NOTE 6 – FINANCIAL INSTRUMENTS**

The carrying amounts reported in the balance sheet for cash, fixed assets and accrued expenses approximate fair value based on the short-term maturity of these instruments.

**SUPPLEMENTARY INFORMATION**

QUANTUM CAPITAL, LLC  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2007

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Net capital computation:

Total member's equity	\$ 47,821
Deductions and/or charges:	
Non-allowable assets:	
Property and Equipment, net	2,438
Total non-allowable assets	<u>2,438</u>
Net capital before haircuts on securities positions	<u>45,383</u>
Haircuts on securities:	<u>-</u>
Total haircuts on securities	<u>-</u>
Net capital	45,383
Required minimum capital	<u>5,000</u>
Excess net capital	<u>\$ 40,383</u>

Aggregate indebtedness:

Aggregate indebtedness as included in the Statement of Financial Condition	<u>\$ 6,741</u>
Ratio of aggregate indebtedness to net capital	<u>.14 to 1</u>

Reconciliation:

Net capital, per unaudited December 31, 2007 FOCUS report, as filed	\$ 45,383
Net audit adjustments	<u>-</u>
Net capital, per December 31, 2007 audited report, as filed	<u>\$ 45,383</u>

QUANTUM CAPITAL, LLC  
SUPPLEMENTARY INFORMATION PURSUANT TO RULE 17A-5  
OF THE SECURITIES EXCHANGE ACT OF 1934  
DECEMBER 31, 2007

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Quantum Capital, LLC is claiming exemption under the provisions of Securities and Exchange Commission Rule 15c3-3(k)(2)(ii) ie., limited business (investment banking).

Therefore, the following reports are not presented:

- A) Computation for Determination of Reserve Requirement under Rule 15c3-3.
- B) Information Relating to the Possession or Control Requirements under Rule 15c3-3.



SHERB & CO., LLP

1900 NW Corporate Blvd., Suite East 210  
Boca Raton, FL 33431  
Tel: 561.886.4200  
Fax: 561.886.3330  
e-mail: info@sherbcpa.com

Offices in New York and Florida

*Certified Public Accountants*

**REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5  
FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3**

To The Member  
Quantum Capital, LLC

In planning and performing our audit of the financial statements and supplemental schedules of Quantum Capital, LLC for the year ended December 31, 2007, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

- 1) Making quarterly securities examinations, counts, verifications and comparisons
- 2) Recordation of differences required by rule 17a-13
- 3) Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2007 to meet the SEC's objectives.

This report is intended solely for the information and use of the Member, management, the SEC and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Boca Raton, Florida  
February 19, 2008

*Sherb + Co., LLP*  
Certified Public Accountants

**END**